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# Policies & Procedures

## DEPARTMENT OF ADMINISTRATIVE SERVICES

**SUBJECT:** *Surplus Property Operations*

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**ISSUED:** 06/01/05

**REVISED:**

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### Purpose:

The Department of Administrative Services (DOAS) Surplus Property Division manages the state's surplus property assets through methods determined to be in the best interest of the state of Georgia. This policy provides guidelines for conducting business with DOAS' Surplus Property Division. Authority to provide surplus property services for the state of Georgia is granted to DOAS through Official Code of Georgia (OCGA) Annotated 50-5 140 through 50-5 146.

### Policy:

The mission of DOAS' Surplus Property Division is *"To ensure the equitable and appropriate redistribution and disposal of Georgia State and Federal personal property to state and municipal governments, and eligible non-profit organizations."*

To enable equitable redistribution, DOAS Surplus reserves the right to limit the quantity of property that an entity may acquire. Appropriate redistribution is determined by the services provided by the entity receiving the property. If an entity has changed its service offerings, it must up-date the eligibility file to determine if the new services meet the eligibility requirements. (Eligibility requirements and forms are available on the Surplus Property web site at: <http://gasurplus.doas.state.ga.us/apps/gss/surplus.nsf/Info/SurpProgEligibility2>)

The Surplus Property distribution center manager is responsible for "equitable and appropriate" redistribution. DOAS Surplus reserves the right to deny redistribution of property to any entity. Entities may appeal the decision to the Director, Surplus Property Division.

All property is transferred in **"As-Is, Where-Is"** condition.

Guidelines for conducting business with DOAS' Surplus Property Division are:

#### 1. Employee Sales

In order to prevent the appearance of impropriety and in keeping with the Governor's Code of Ethics, DOAS employees and their immediate family members are prohibited from participating in any sale, auction, or transfer of surplus property to the public. All other purchasers (including but not limited to state employees and their family members) must certify that any transactions in which they are involved do not and will not violate the provisions of OCGA 45-10-20 et seq. in any manner.

## **2. Redistribution Hierarchy**

In keeping with the mission of equitable and appropriate redistribution of surplus property, the following hierarchy will be adhered to for the redistribution of all state surplus assets;

- a. State Government
- b. Municipal Governments
- c. Eligible Non-Profit Organizations

## **3. Donee Eligibility**

All entities must complete the appropriate eligibility determination forms. Each entity's eligibility is determined on a case-by-case basis in accordance with State and Federal laws and regulations. Entities must recertify eligibility annually. The following entities may be eligible:

- a. State Property
  - State government
  - Municipal governments
  - Non-profit organizations that provide education or health care to the community
- b. Federal Property
  - State government
  - Municipal governments
  - Non-profit organizations providing community services to: (includes, but not limited to)
    - Education (Universities, Colleges, K-12, Museums, Library)
    - Public Health (Hospital, Clinic, Nursing Home, Homeless Shelter, Food Bank, Addiction Rehabilitation Center)
    - Older Individuals (as defined by 42 U.S.C. 601 et. seq.)
    - Impoverished Individuals

## **4. Warehouse Access**

Prior to entering the surplus property center, customer(s) must receive a "pass" from the receptionist for each visit. Only authorized representatives from eligible donee entities may enter a warehouse or acquire surplus property.

- a. Authorized entity representatives may request a temporary (one day) shopper pass for non-authorized entity personnel. The request must be made in writing to the appropriate surplus property center. The request is valid only for the visit date specified.
- b. All customers will provide ID and are required to sign-in on the surplus property centers' customer log prior to receiving a pass.

## **5. Children**

Due to safety concerns, children under the age of 16 are not permitted in the warehouse or vehicle lots. Children may wait in the customer waiting area, but must be accompanied by a parent or guardian at all times.

## **6. Funded Property**

For those state entities which have been designated as "Funded", a 10% administrative fee will be assessed on the gross sales price for any piece or lot sold for greater than \$50.00. The proceeds from any piece or lot that is sold for less than \$50.00 will be retained by the Surplus Property Division.

All entities designated as "Funded" will be required to pay a service charge for any property that they receive from Surplus Property.

## **7. State Property Restrictions**

For a period of twelve (12) months from the date of transfer, all state surplus property will be subject to the following restrictions:

- a. The state reserves the right to approve or deny property transfers based on equitable and appropriate redistribution and, appropriateness for donee use. Property acquired must be used by the donee for the purpose which is intended. Personal use of donated property is prohibited.
- b. Property title and ownership must be maintained by the donee. Property may not be re-sold, traded, loaned, or cannibalized without permission from DOAS' Surplus Property Division.
- c. Utilization visits may be conducted at any time during the restriction period. Donees found noncompliant may be required to return the property, forfeit the service fee paid, and/or have accessorial fees assessed.

## **8. Federal Property Restrictions**

There are numerous restrictions on the acquisition, utilization, and retention of Federal surplus property. Terms and conditions are provided to donees at the time of their acceptance into the federal surplus program and with each federal invoice generated. Failure to comply with terms and conditions could result in suspension or removal from the federal surplus program and/or forfeiture of any service charges and administrative fees.

## **9. Property Hold and Pick-Up**

Holding property is a service and courtesy that DOAS Surplus Property provides for eligible donees. However, in order to ensure equitable and appropriate redistribution, material will only be placed on hold in the distribution center under the following conditions:

- a. State entities have priority to acquire state property.
- b. Property may be placed on hold for five (5) business days.
- c. Customers may contact the distribution center manager in writing (fax or e-mail) if additional hold time is needed.

- d. Payment is required at the time of purchase.
- e. All purchased inventory must be removed within five (5) business days.
- f. Arrangements for extensions to remove heavy equipment, vehicles, and truckloads may be made with the distribution center manager.
- g. Property that has not been removed within the applicable time period will be returned to inventory and the customer account will be credited less a 10% administrative fee.

#### **10. Vehicle Donation**

- a. Vehicle donation will follow the hierarchy of distribution established for property donation:
  - State Government
  - Municipal Governments
  - Eligible Non-Profit Organizations
- b. All state agencies requesting surplus vehicles must have Office of Fleet Management (OFM) approval prior to acquiring any vehicle. Full size and “luxury” sedans as defined in the statewide vehicle purchasing contract will not be transferred to any state entity.
- c. Vehicles may be placed on “Hold” under the conditions listed above with the exception of state entities. State entities must have a request for the vehicle on file with OFM. It is the responsibility of the requesting entity to obtain this approval. This hold will remain in place for as long as is necessary to obtain appropriate authorization.
- d. DOAS Surplus Property will collect and remit to DMVS the title transfer fee (currently \$18.00) for each vehicle transferred. (This fee does not apply to state entities)
- e. Vehicle requests must meet the needs of the donee entity as established in their eligibility determination. Special purpose vehicle transfers will be restricted to entities whose mission meets the purpose for which the vehicle was intended:
- f. Law Enforcement entities will have priority for all Crown Victoria patrol vehicles, SUV’s, 4-wheel drive, and 2 door vehicles.
- g. Depending on model availability, Surplus Center Managers may authorize the transfer of special purpose vehicles to donee entities rather than selling at auction.
- h. Non-Funded Vehicles:
  - The service charge (transfer price) for vehicles is calculated as 35% of the published Kelly Blue Book (KBB) vehicle value (adjusted for mileage and condition).
  - Vehicles will not be transferred at zero cost. “Non-funded” state entities will pay 10% of the service charge (e.g. if the service charge is calculated to be \$1200, the non-funded state entity will be charged \$120.00.)
  - “Funded” state entities will pay the full service charge.

- i. Funded Vehicles
  - The service charge (transfer price) for funded vehicles is calculated as 35% of the published Kelly Blue Book (KBB) vehicle value (adjusted for mileage and condition) or set by the donating entity.
  - The full service charge for all funded vehicles will be paid by all receiving entities or organizations.
- j. Only surplus center managers have authority to change the service charge if there is a defect that was not noted on the original pricing of the vehicle.
- k. DOT heavy equipment values are determined by averaging the service charges (transfer price) of all like vehicles in the inventory history. This price is not negotiable.

## **11. Payment**

All surplus property is transferred in “AS IS – WHERE IS” condition without warranty, expressed or implied, as to the completeness, kind, character, or quality of any property, or its fitness for any use or purpose. *Administrative and service charges must be paid prior to removing property.* The following forms of payment are accepted:

- a. State and Municipal Governments:
  - Agency Credit Card
  - Agency Purchase Order
  - Agency Check
- b. Non-Profit Organizations:
  - Agency Check
  - Agency Credit Card

Surplus Property cannot accept cash, personal checks, or money orders from eligible donees.

Make agency check(s) payable to: **GA DOAS SURPLUS.**

All checks are processed through Checkcare for verification. Returned checks will be assessed a service charge by Checkcare and all payments and corrections must be processed through Checkcare.

## **12. Property Return/Exchange**

- a. State Property
  - All state surplus property is transferred in “AS IS – WHERE IS” condition without warranty, expressed or implied, as to the completeness, kind, character, or quality of any property, or its fitness for any use or purpose. Return and/or exchange of state surplus property is not-authorized.
- b. Federal Property
  - All Federal surplus property is transferred in “AS IS – WHERE IS” condition without warranty, expressed or implied, as to the completeness, kind, character, or quality of any property, or its fitness for any use or purpose. Returns are not authorized except in extenuating circumstances

(non-operational equipment is not considered extenuating). Requests for return of federal property must be made within 30 days of property transfer date to the Director, Surplus Property Division via the appropriate distribution center manager. Property must be returned at the donees' expense and in usable condition. If the return is authorized, a credit to the customer's account for the service charge will be issued based on the return date:

- Return in 1 – 15 days                      100%
- Return in 16 – 30 days                      50%

### **13. Want List**

To ensure equitable redistribution of assets to our donees, DOAS Surplus Property maintains a "Want List". This list is for vehicles, heavy equipment, and unique items that are not normally carried by surplus property. Property that is normally available such as office equipment or furniture will not be carried on this list.

Donees may complete a "Want List" request and fax it to Surplus Property Division Administration office in Atlanta. These requests will remain valid for 180 days (six months). Surplus property personnel will make reasonable efforts to locate the desired property in the state surplus system. If the desired items are found, the Donees will be notified by telephone and e-mail (if available) and will have five business days to make arrangements to pick-up the property. If there is more than one donee on the waiting list for a particular item, the first donee on the list will be notified of the availability. If they decline the property or do not arrange for the transfer within five business days, the next donee will be notified. This process will continue until the property is transferred or until the list is exhausted.

### **14. Hazardous Materials**

DOAS Surplus Property is not authorized to receive, transfer, or dispose of hazardous materials or Universal Waste as defined by the US Environmental Protection Agency (EPA) and the GA Environmental Protection Division (GAEPD).

The materials include (but are not limited to):

- All Paints (Oil, Enamel, Polyurethane, Latex)
- Light Bulbs
- Batteries
- Tires
- Chemicals (Acid/Base/Flammables)
- New or Used Oil and Lubricants
- Pesticides, Herbicides

Please contact your local GAEPD office for disposal guidance.